Western States Minerals Corporation

4975 Van Gordon Street Wheat Ridge, Colorado 80033 (303) 425-7042

August 12, 1985

RECEIVED

AMG 1 6 1985

GAS & MINING

Mr. Richard Hall Utah Dept. of Natural Resources Water Rights 1636 West North Temple Salt Lake City, Utah 84116

Re: Tug Mine

Dear Mr. Hall:

Western States Minerals has applied for a mining permit for the Tug Mine. The project is located approximately 35 miles North of Wendover in Box Elder County. As part of the required reclamation plan, we have proposed to create a pond in the open pit mine when it is completed. The pond will be in the bottom of the pit, which is to be excaveted in the rock at the site. The pond's proposed capacity is approximately 415 acre feet.

In talking to Dorothy Boulton, we discussed whether or not we would require water rights for this reclamation plan, and also if the proposed pond was within your size requirements. Please note that the pond is being created for reclamation purposes only and not primarily for stockwatering. If this pond is considered too large, we can safely divert surface flow around the mine.

I would appreciate your response to our situation so we can complete our reclamation plan.

Sincerely,

John R. Danio, P.E. Project Manager

JRD/rlp

cc: Dorothy Boulton, Water Rights
Susan C. Linner, DOGM